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March 20, 1997

EX PARTE

William F. Caton
Acting Secretary
Federal Communications Commission
Mail Stop 1170
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Dear Mr. Caton:

Re: CC Docket No. 96-45, Universal Service

On March 13, 1997, Jon Wood and Sarah Thomas met with Elliott Maxwell and Lygiea Ricciardi to discuss the attached materials in the above docket. Please associate this material with the above referenced proceeding.

We are submitting two copies of this notice in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,



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**Federal - State Joint Board on
Universal Service
CC Docket No. 96-45
Health Care Issues**

**Pacific Telesis Group
March 13, 1997**

Summary

- **The FCC should allow carriers flexibility in the type of services they furnish to health care providers. One size does not fit all. The type of technology a carrier delivers to rural health care providers should be reflective of the community standards of health care providers in the nearest urban area.**
- **ISDN and other sub-T-1 speed services allow for many telemedicine applications.**
- **The FCC should not order equalization of distance-sensitive costs incurred by urban and rural health care customers.**
- **The FCC should not order infrastructure build-outs.**

Flexibility: The FCC Should Not Mandate a Particular Technology or Speed in Implementing the Health Care Aspects of the Telecommunications Act of 1996

- One size does not fit all.
- Carriers should have discretion in the technology choices offered to rural health care providers.
- A community standard should govern: The type of technology a carrier delivers to rural health care providers should be reflective of the technology used by health care providers in the nearest urban area.

ISDN Works Well For Telemedicine in California

- **Telemedicine Emergency Neurosurgical Network (TENN)**
 - Neurological care provided to underserved counties 24-hours a day. CT images are transferred either to hospital or doctor's home within 4 minutes.
- **Lytton Gardens: Skilled Nursing Facility**
 - Lytton Garden is linked with Stanford Medical Center allowing early release from hospital with immediate access to specialists at Stanford for follow-up or emergencies via ISDN at 512kbps
- **Teleradiology Network: Ventura County**
 - A busy MRI center operates well on 128 kbps over frame relay. The center began with S56 (half the speed of ISDN) and only upgraded to frame relay as the center grew.

The FCC Should Not Equalize Distance Sensitive Pricing

- The Telecommunications Act requires that per mile rates be equalized, not that carriers ignore differences in distance.
- FCC flexibility will help equalize costs customers incur: If carriers are allowed to choose the service they deliver, they may be able to deliver a service that is not priced based on distance such as ISDN.

The FCC Should Not Mandate Infrastructure Build-Outs Paid For From the Fund

- Such a mandate would deplete the fund.
- A mandate would subsidize carriers that have been slow in building out networks.
- A mandate is inconsistent with the Telecommunications Act.
 - Overrides Section 254 (h) (2) (A)'s economic reasonableness test
 - Overrides Section 254 (c) (1) requirement that only services already "being deployed" must be furnished.
- Flexibility in what services carriers provide will help here: If carriers can chose the service they deploy, there is less likelihood they will be required to deplete the fund with costly build-outs.
- The FCC should rely instead on private initiatives.
 - California state legislation will actually encourage demand (SB 1665 (reimbursement), SB 2098 (register, instead of license out-of-state physicians))
 - Ten telemedicine projects already in operating in California.